

Resolution
NO. 16
of the Energy Regulatory Commission of the Republic of Armenia
dated November 14, 1997
City of Yerevan

Interpretation of the Tariffs for Electricity, Effective September 1, 1997

Taking into consideration the fact that new tariffs for electricity have come into effect in Armenia, starting September 1, 1997 (in compliance with the ERC Resolution No. 6, dated August 1, 1997 "On the Tariffs for Electricity"; and the ERC Resolution No. 10, dated August 22, 1997 "On the Amendments and Supplements to the ERC Resolution No. 6, dated August 1, 1997"), the RoA Energy Regulatory Commission is clarifying the following:

- The implication "**direct customers**" refers to those consumers, the feeding sub-stations and electric transmission lines of which (starting the line separator of 35 kV lowering/diminishing sub-station connected to the 6(10) kV voltage transmission rods) are on the balance of the consumer, regardless of whose balance is the lowering/diminishing sub-station on.
- All the other consumers of 6(10) and 0.4 kV voltage are classified as "**other customers**", except for those consumers that are fed by the direct cells, and the residential customers.
- In conformance with the ERC Resolution No. 10, the technical losses that occur within the feeding transmission lines and transformers of the "**other customers**" **shall not be added** to the electricity costs of the "other customers", provided that the commercial meter is installed on the 0.4 kV voltage side. If the commercial meter is installed on the high voltage side, then the technical losses of electricity of the high voltage successive chain elements that occur between the installation spot of the meter and 0.4 kV voltage transmission rods **should be subtracted** from the meter's reading of electricity consumption.
- For those high voltage customers who would like to enjoy the night-time discount tariffs, the new procedures of "Differentiated Electricity Hourly Tariffs For High Voltage Customers for the Purposes of Daily Load Leveling", approved by the RoA Ministry of Energy on April 10, 1997, and agreed upon with the Interministry Commission that sets the tariffs, will come into effect.
- It should be mentioned that in compliance with Article 14(e) of the RoA Energy Law, no cross subsidies between different customer groups shall be permitted. Accordingly, the

ERC shall not have the authority of setting any other lower retail tariff for electricity for any customer, as an exception from the rule.

V. Movsesian,
Chairman of the RoA Energy Regulatory Commission